

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 03827 121317Z

55

ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 NEA-10 ISO-00

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 /132 W

----- 099716

R 121110Z AUG 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 5971

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MUSCAT

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USINT BAGHDAD

LIMITED OFFICIAL USE KUWAIT 3827

E.O. 11652: N/A

TAGS: ENRG, KU

SUBJ: KUWAIT OIL PRICE AND PRODUCTION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 03827 121317Z

REF: KUWAIT 3400 (NOTAL)

1. ECHOING OIL MINISTER AL-KAZIMI'S EARLIER COMMENTS TO AMBASSADOR ON POSSIBLE FURTHER REDUCTION PRICE KUWAITI HEAVY CRUDE (REFTTEL), KUWAIT TIMES OF AUGUST 11, QUOTES MINISTRY OF OIL (MOO) SOURCES AS BEING CONCERNED THAT JUNE REDUCTION FROM \$11.30 TO \$11.23 PER BARREL HAS NOT LED TO SUFFICIENT INCREASE IN HEAVY CRUDE SALES. BEFORE 7 CENT REDUCTION, OUTPUT FOR MAY WAS 1.646 MILLION B/DAY, LOWEST LEVEL SINCE OCTOBER, 1975. AFTER REDUCTION CRUDE PRODUCTION ROSE ONLY TO 1.852 MILLION B/D IN JUNE. KUWAIT TIMES QUOTES MOO SOURCE AS SAYING THAT MEETINGS WILL BE HELD TO DISCUSS WHETHER 7 CENT REDUCTION SUFFICIENT TO ENSURE QUOTE PREVIOUSLY FIXED UNQUOTE GOAL OF 2 MILLION B/D AVERAGE PRODUCTION.

2. COMMENTING OF ARTICLE, MOO OFFICIAL WHO WPOKE WITH EMBOFFS AUGUST 11 NOTED JUNE IS TRADITIONALLY LOW MONTH FOR KUWAITI OIL PRODUCTION BECAUSE OF ITS USE AS FUEL/ HEATING OIL. HE GAVE FIGURES INDICATING THAT OIL PRODUCTION ROSE SLIGHTLY TO 1.861 MILLION B/D IN JULY AND NOTED THAT SALES OF HEAVY CRUDE OIL TO JAPAN HAVE DROPPED 55 PERCENT SINCE JANUARY, EVEN WITH THE JUNE PRICE CUT. HE CONFIRMED THAT, UPON THEIR RETURN FROM VIENNA OPEC MEETING, KUWAITI OIL AND FINANCE OFFICIALS WILL DISCUSS A POSSIBLE FURTHER CUT IN PRICE OF HEAVY CRUDE. IF PRICE SHAVED, RATIONALE WOULD BE TO GAIN REVENUE GOVERNMENT NEEDS FOR MANY LARGE PROJECTS. ANY PRICE CUT DECISIONS ARE LIKELY TO BE MADE DURING SUMMER, OFFICIAL SAID, WHILE NATIONAL ASSEMBLY (WITH ITS VOCAL ELEMENTS IN FAVOR OF LOWER PRODUCTION LEVELS) IS IN RECESS.

3. FOR THE RECORD: KUWAIT OIL MINISTRY STATISTICS FOR JULY INDICATE 1,861,233 AVERAGE B/D PRODUCTION OF WHICH 1,632,824 WAS KUWAIT OIL COMPANY PRODUCTION, 81,026 AMINOIL, AND 147,383 ARABIAN OIL COMPANY (KUWAIT SHARE ONLY).
MAESTRONE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUWAIT03827
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760310-0884
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760861/aaaacazh.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 KUWAIT 3400
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 29 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 MAR 2004 by greeneet>; APPROVED <03 AUG 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KUWAIT OIL PRICE AND PRODUCTION LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: ENRG, KU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006